Computing Federal Income Tax Withholding (FITW)

The following charts show how federal income tax withholding (FITW) is computed.
The charts reflect year 1 January 2010 federal withholding rates.

Step	Action	Result
1	Enter **Monthly** Taxable Income from Block 38, LES[*]	A =
2	Multiply Allowances From Block 41 of LES[**] by $304.17	B = $304.17x =
3	Subtract B from A to get monthly Nonexempt Income	**C =**

Step 4 - If Member is Claiming Married in Block 41[**] of LES

If C Is Over	But C Is Not Over	Compute Monthly FITW By	Amount
$0	$1146	Member has no FITW	$0.00
$1146	$2042	(C Minus $1146) Times 10%	
$2042	$6313	[(C Minus $2042) times 15%] Plus $89.60	
$6313	$7838	[(C Minus $6313) Times 25%] Plus $730.25	
$7838	$10338	[(C Minus $7838) Times 27%] Plus $1111.50	
$10338	$12088	[(C Minus $10338) Times 25%] Plus $1786.50	
$12088	$18083	[(C Minus $12088) Times 28%] Plus $2224.00	
$18083	$31793	[(C Minus $18083) Times 33%] Plus $3902.60	
$31793		[(C Minus $31783) Times 35%] Plus $8423.60	

Step 4 - If Member Is Claiming Single or Head of Household in Block 41 of LES[**]

If C Is Over	But C Is Not Over	Compute Monthly FITW By	Amount
$0		Member Has No FITW	$0.00
$504	$869	(C Minus $504) Times 10%	
$869	$3004	[(C Minus $869) Times 15%] Plus $36.50	
$3004	$5642	{(C Minus $3004) Times 25%] Plus $356.75	
$5642	$7038	{(C Minus $5642) Times 27%] Plus $1016.25	
$7038	$7308	[(C Minus $7038) Times 30%] Plus $1393.17	
$7308	$14492	[(C Minus $7308) Times 28%] Plus $1474.17	
$14492	$31308	[(C Minus $14492) Times 33%] Plus $3485.89	
$31,308		[(C Minus $31308) Times 35%] Plus $9034.97	

Social Security 6.2%
Medicare   1.45%
Base Limit $106,800.00

Supplemental Withholding rate is 25%

More information: http://www.irs.gov/pub/irs-pdf/p15.pdf (Percentage method as described on page 39 for an employee paid monthly)
* Block 38, LES = "Total Earnings Current Taxable" on the eLES
** Block 41 of LES = "Tax Data, Marital Status and Allowances, Federal" on the eLES